| 1 | 2 | 3 | 4 |
|---|---|---|---|
| 17. | UCO Bank | | 4 |
| 18. | Union Bank of India | | 4 |
| 19. | Vijaya Bank | | 3 |
| | TOTAL: | | 90 |

**Deposit growth and lending rates of foreign banks**

7815. SHRI RAMDAS AGARWAL: Will the Minister of FINANCE be pleased to state:

(a) the number of branches of foreign banks in the country, Statewise;

(b) the details of deposit growth transactions during 1993-94, 1994-95 and till date;

(c) whether any review has so far been undertaken on their working; if so, with what results;

(d) whether some foreign banks have increesad the lending rates; if so, the names thereof; and

(e) whether this increase in rates is in actordance with guidelines of Reserve Bank of India; if not what action has been taken so far against them?

THE MINISTER OF STATE IN THE MINISTRY OF FNANCE (SHRI M. V. CHANDRASHEKARA MURTHY): (a) to (e) The information is being collected and will be laid on the Table of the House.

**Outstanding loans to Nationalised Banks**

7816. SHRI RAMDAS AGARWAL: Will the Minister of FINANCE be pleased to state:

(a) the details of oustanding loans to nationalised banks during each of the last two years and as on 30-4-95;

(b) whether Government have chalked out any comprehensive time-bound programme for recovery of all oustanding loans;

(c) if so, the details thereof;

(d) whether Government have decided to set up specjal tribunal/courts or speedy recovery of loans to settle huge backlog of outstanding cases; and

(e) if so, the details thereof and if not, the reasons therefor?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M.V. CHANDRASHEKARA MURTHY): (a) The aggregate outstanding credit of natoinalised banks as at the end of March 1994 and December, 1994 (latest available) are Rs. 93218.27 lakh and Rs. 103106.33 lakhs respectively.

(b) to (e) Reserve Bank of India (RBI) have reported that one of the obligations/commitments under the Memorandum of Understanding (MOU) executed between the banks and RBI was to set up a recovery cell at Head Office under the charge of a General Manager to monitor the recovery of non-performing assets by respective banks. Most of the banks have accordingly set up recovery cell at the Head Office. It has been agreed to by nationalised banks that branch-wise recovery targets would be fixed. The Chairman and Managing Directors of nationalised banks would review the recovery performance on a monthly basis and the Board of Directors would review the same on a quarterly basis. The reduction of non-performing assets also is commented upon in the inspection reports of RBI and monitored. The need for better recovery performance

is also emphasised at the time of discussions of the Chairman of banks the top management of RBI on inspection findings.

Normally, banks, after exhausting all aveunes of recovery, file suits for recovery. Government have set up the Debt Recovery Tribuna's for expeditious adjudication and recovery of debts due to banks and financial institutions.

**Welfare Scheme of Peerles General Finance and Investment Company Limited**

7817. SHRIMATI MALTI SHARMA: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that social welfare schemes of Peerless General Finance and Investment Company Limited under Table 23 and 24 have since been abolished abruptly; if so, the details thereof and under whose directions such decision has been taken;

(b) the extent of Government control on insurance schemes of the company and the fixation of commission paid to field staff of the company; and

(c) whether Government have directed the company to diversify its policies with the tune of changing times; if so, the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF FNANCE (SHRI M. V. CHANDRASHEKARA MURTHY): (a) Reserve Bank of India (RBI) has reported that the Social Welfare Schemes of Peerless General Finance & Investment Co. Ltd. (Peerless) under Tables 23 and 24 which had a duration of 10 years, had been discontinued by the company effective from May 4, 1995 in the context of Calcutta High Court judgement upholding the validity of an amendment to the Residuary Non-Banking Companies (Reserve Bank) Directions, 1987 which brought down the maximum period of deposits a RNBC can accept from 120 months to 84 months.

(b) and (c) RBI has reported that the Company is not running any insurance schemes. However, it extends accidental death insurance benefit to the subscribers of its deposit schemes under an arrangement with the New India Assurnace Co. Ltd.

RBI has reported that it has taken a consistent stand that Peerless could not take any portion of the deposits received from depositors/subscribers for meeting its revenue expenses. Peerless was also advised that it should alter its existing investment pattern so as to bring the investments strictly in conformity with the provisions of Residuary Non-Banking Companies (Reserve Bank) Direction, 1987.

**Non-Official Directors on Nationalised Banks**

7818. SHRI K. RAHMAN KHAN: Will the Minister of FINANCE be pleased to state:

(a) whether Government have since nominated non-official Directors on the Board of all the Nationalised Banks;

(b) if so, the names with address, and various interest they represent, Bank-wise;

(c) what are the terms of their appointments; and

(d) which are the Banks for which the non-official Directors are yet to be appointed and the reasons for the delay?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M. V. CHANDRASHEKARA MURTHY): (a) to (d) Government have nominated new non-official directors on the boards of 16 out of the 19 nationalised banks. Such directors are still to be nominated on the boards of Canara Bank, Punjab & Sind Bank and United Bank of India as some formalities are still to be completed in these cases.

The new non official directors have been nominated for a period of three years from the date of notification. Non-Official directors have been nominated in terms of the provisions of clauses (g) and (h) of sub-section (3) of Section (9) of the Banking Companies (Acquisition and Transfer of Undertakings) Act, 1970|1980. Relevant extracts from the Act are given in the enclosed Statement.